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RUEHAK/AMEMBASSY ANKARA IMMEDIATE 2957
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Friday, 22 August 2008, 04:03
C O N F I D E N T I A L SECTION 01 OF 03 BAKU 000790
SIPDIS

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TAGS ENRG, ETRD, PREL, AJ, RU, TR
SUBJECT: AZERBAIJANI PRESIDENT: I DIDN'T STAND BEHIND
SAAKASHVILI BECAUSE IT WOULD HAVE MADE NO DIFFERENCE
REF: ANKARA 1474

Classified By: Charge Donald Lu, for reasons 1.4 (b,d).

11. (C) SUMMARY: On August 19, President Aliyev told visiting British Petroleum CEO Inglis that Azerbaijan is taking quiet steps to support Georgia.
12. (C) On August 20, British Petroleum's Chief Executive Officer for Exploration and Production Andrew Inglis briefed the Charge on his one-on-one meeting with President Aliyev.
PRESIDENT'S REACTION TO GEORGIA CRISIS

13. (C) The President told Inglis, "I didn't rush to stand behind Saakashvili because it would have made no difference." The President quickly
14. (C) Aliyev emphasized that the events of the past few days "reinforce the journey (towards a western orientation) and not the need for a U.S. presence."
15. (C) The President did probe Inglis about the timing of the Georgia invasion in relation to the PKK attack on the Baku-Tbilisi-Ceyhan (BTC)

-- The PKK, formerly sponsored by the KGB, attacks the BTC.
-- Three days later Russia invades Georgia.
-- In a seemingly random act, the Russians blow up a key railway bridge halting rail export of oil.
-- A stray bomb falls 10 meters from the Baku-Supsa oil pipeline.
-- Transneft reports a technical fault along the Novorossiysk Line threatening one of the last remaining oil export routes.
PRESIDENT ALIYEV PHONES MOSCOW

16. (C) President Aliyev noted that when he learned that a stray Russian bomb struck near the Baku-Supsa line, he rang Moscow (he inferred that the bomb was Russian).
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GAS SALES TO RUSSIA A "SUBTERFUGE"

17. (C) Inglis explained that limited future gas sales to Russia are for the purposes of enhancing Azerbaijan's position in the gas transit market.
18. (C) Inglis believes that Aliyev is in a much stronger position with Turkey than a month ago. Inglis added that Turkey must agree to transit gas from Azerbaijan to Turkey.
19. (C) The President also told Inglis that as a result of the pipeline closures, Azerbaijan will be forced to sell crude to Iran.

ADDITIONAL DETAILS ABOUT THE PKK ATTACK ON BTC

110. (C) Inglis confirmed reftel report that BP has evidence showing that the fire at the block valve along BTC in Turkey was the result of sabotage.
111. (C) Inglis added that the block valves are the most vulnerable points, while the 42 inch main line is buried and was not damaged. To attack the pipeline, the PKK would have to blow up the block valves.
112. (C) In Turkey, block valves are housed in "little green corrugated shacks," whereas in Azerbaijan and Georgia the block valves and actuators are housed in concrete structures.

113. (C) Last year, the Azerbaijani State Oil Company (SOCAR) was threatening to have BP Azerbaijan's President arrested and tried for theft of oil.
114. (C) The President told Inglis that Azerbaijan still needs BP. He asked rhetorically, "If SOCAR owned BTC would it still be there?" The President added that BP is the only company that can operate the pipeline.
115. (C) The President summoned the SOCAR President after the evening meeting with Inglis and made SOCAR available to Inglis the next day. "(SOCAR President) said he would be in Baku on August 21."
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had "real conversation" with Abdullayev about the Shah Deniz Phase One gas price. Inglis advised SOCAR to settle on a price now and not wait for a final decision.

116. (C) Inglis believes that Aliyev is looking for a statement from the West (and particularly the U.S.) that parallels Aliyev's statement to the media.
117. (C) On the sale of Azeri gas to Russia, Inglis clearly seemed to be spinning this to try to head off expected U.S. objection to such a sale.
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